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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(C-201-846)

Sugar from Mexico: Preliminary Affirmative Countervailing Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of sugar from Mexico. The period of investigation is January 1, 2013, through December 31, 2013. Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar or Nicholas Czajkowski,

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SUPPLEMENTARY INFORMATION:

Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination

On the same day that the Department initiated this countervailing duty (CVD) investigation, the Department also initiated an antidumping duty (AD) investigation of sugar from Mexico.¹ The AD and CVD investigations cover the same class or kind of merchandise

¹ See *Sugar From Mexico: Initiation of Countervailing Duty Investigation*, 79 FR 22790 (April 24, 2014); see also *Sugar From Mexico: Initiation of Antidumping Duty Investigation*, 79 FR 22795 (April 24, 2014).

from the same country. On August 21, 2014, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.210(b)(4), Petitioners requested alignment of the final CVD determination with the final AD determination of sugar from Mexico.² Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of sugar from Mexico. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than January 7, 2015.

Scope of the Investigation

The product covered by this investigation is sugar from Mexico. For a full description of the scope of the investigation, *see* Appendix I to this notice.³

Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.⁴ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is

² Petitioners are the American Sugar Coalition and its individual members: American Sugar Cane League, American Sugar Refining, Inc., American Sugarbeet Growers Association, Florida Sugar Cane League, Hawaiian Commercial and Sugar Company, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and United States Beet Sugar Association.

³ Interested parties filed comments and a clarification request regarding the scope of the investigation. However, due to the limited timeframe for considering these submissions, the Department intends to address the specific scope comments and clarification request in the preliminary determination of the companion AD investigation. Any modifications to the scope or scope exclusions that may be made in the AD preliminary determination will be placed on the record of this CVD investigation and parties will be afforded an opportunity to submit comments.

⁴ *See* Memorandum from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Sugar from Mexico," dated concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).

available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum can be found in Appendix II to this notice.

Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated a CVD rate for the following individually-investigated producer/exporters of the subject merchandise: (1) Fondo de Empresas Expropiadas del Sector Azucarero (FEESA);⁵ and (2) Ingenio Tala S.A. de C.V. and certain other cross-owned companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group).⁶ We also calculated an all-others rate. Sections 703(d) and 705(c)(5)(A) of the Act state that for companies not individually investigated, we apply an all-others rate calculated by weighting the subsidy rates of each of the exporters and producers individually-investigated by those exporters' and producers' exports of subject merchandise to the United States.

⁵ FEESA consists of the following sugar mills: Fideicomiso Ingenio El Modelo, Fideicomiso Ingenio San Cristobal, Fideicomiso Ingenio Plan De San Luis, Fideicomiso Ingenio San Miguelito, Fideicomiso Ingenio La Providencia, Fideicomiso Ingenio Atencingo, Fideicomiso Ingenio Casasano, Fideicomiso Ingenio El Potrero, and Fideicomiso Ingenio Emiliano Zapata. *See* Preliminary Decision Memorandum.

⁶ The GAM Group consists of the following entities: Ingenio Tala S.A. de C.V.; Ingenio El Dorado S.A. de C.V.; Ingenio Lazaro Cardenas S.A. de C.V.; Organizacion Cultiba, S.A.B. de C.V.; Grupo Azucarero Mexico S.A. de C.V.; ITLC Agricola Central S.A. de C.V.; Tala Electric S.A. de C.V.; Empresas y Servicios Organizados S.A. de C.V.; and Proveedora de Alimentos Mexico, S.A. de C.V. *See* Preliminary Decision Memorandum.

We preliminarily determine the countervailable subsidy rates as follows:

Producer/Exporter	Subsidy Rate
FEESA ⁷	17.01 percent
Ingenio Tala S.A. de C.V. and certain cross-owned companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group) ⁸	2.99 percent
All-Others	14.87 percent

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of sugar from Mexico that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the *Federal Register*, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by FEESA, the GAM Group, and the Government of Mexico prior to making our final determination in this investigation.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.⁹ Interested parties may submit case and rebuttal briefs, as well as request a hearing.¹⁰ For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, *see* the Preliminary Decision Memorandum.

⁷ *Supra* note 5.

⁸ *Supra* note 6.

⁹ *See* 19 CFR 351.224(b).

¹⁰ *See* 19 CFR 351.309(c)-(d), 19 CFR 351.310(c); *see also* 19 CFR 351.303 (for general filing requirements).

International Trade Commission Notification

In accordance with section 703(f) of the Act, we will notify the U.S. International Trade Commission (ITC) of our determination. In addition, we are making all non-privileged and non-proprietary information relating to this investigation available to the ITC. We will allow the ITC access to all privileged and business proprietary information in our files, provided that the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination no more than 45 days after the Department makes its final determination.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Dated: 25 August 2014.

Appendix I

Scope of the Investigation

The product covered by this investigation is sugar derived from sugar cane or sugar beets. Sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked via their anomeric carbons. The molecular formula for sucrose is $C_{12}H_{22}O_{11}$, the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17)5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1, the InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N, the U.S. National Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988, and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

Sugar within the scope of this investigation includes raw sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of less than 99.5 degrees) and estandar or standard sugar which is sometimes referred to as “high polarity” or “semi-refined” sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of 99.2 to 99.6 degrees). Sugar within the scope of this investigation includes refined sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of at least 99.9 degrees. Sugar within the scope of this investigation includes brown sugar, liquid sugar (sugar dissolved in water), organic raw sugar and organic refined sugar.

Inedible molasses is not within the scope of this investigation. Specialty sugars, *e.g.*, rock candy, fondant, sugar decorations, are not within the scope of this investigation. Processed food products that contain sugar, *e.g.*, beverages, candy, cereals, are not within the scope of this investigation.

Merchandise covered by this investigation is typically imported under the following headings of the Harmonized Tariff Schedule of the United States (HTSUS): 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1025, 1701.99.1050, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Alignment
- IV. Scope Comments
- V. Scope of the Investigation
- VI. Respondent Selection
- VII. Injury Test
- VIII. Subsidies Valuation
- IX. Creditworthiness
- X. Analysis of Programs
- XI. ITC Notification
- XII. Disclosure and Public Comment
- XIII. Verification
- XIV. Conclusion

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